

**RULES
OF
DEPARTMENT OF COMMERCE AND INSURANCE
DIVISION OF REGULATORY BOARDS
TENNESSEE STATE BOARD OF ACCOUNTANCY**

**CHAPTER 0020-1
BOARD OF ACCOUNTANCY, LICENSING AND REGISTRATION REQUIREMENTS**

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0020-1-.01 DEFINITIONS.

- (1) Unless otherwise stated, as used in this chapter and each subsequent chapter of the Rules of the State Board of Accountancy:
 - (a) “Act” means the Tennessee Accountancy Act of 1998, T.C.A. §62-1-101 et seq.;
 - (b) “Accounting services” means accounting, attest, tax, computer science or management advisory services;
 - (c) “AICPA” means the American Institute of Certified Public Accountants;
 - (d) “Attest” shall be defined as in T.C.A. §62-1-103;
 - (e) “Board” shall be defined as in T.C.A. §62-1-103;
 - (f) “Certificate” shall be defined as in T.C.A. §62-1-103;
 - (g) “Certified public accountant” shall be defined as in T.C.A. §62-1-103;
 - (h) “Financial statements” means statements, footnotes and other supplementary information related thereto that undertake to present an actual or anticipated financial position as of a point in time, or results of operations, cash flow, or changes in financial position for a period of time, in conformity with generally accepted accounting principles or another comprehensive basis of accounting. The term does not include incidental financial data included in management advisory service reports to support recommendations to a client; nor does it include tax returns and supporting schedules;
 - (i) “License” or “Licensing” means a CPA certificate or a public accountant registration granted by the Board;
 - (j) “Member” means member in a limited liability company;
 - (k) “NASBA” means the National Association of State Boards of Accountancy;
 - (l) “Permit” means a permit to practice as a CPA or PA firm issued under §§62-1-108, 62-1-109 or corresponding provisions of prior law;

(Rule 0020-1-.01, continued)

- (m) "Partnership" or "Corporation" shall include any form of business organization authorized under the laws of this or any other state;
- (n) "Practice of public accountancy" means providing or offering to provide attest services to the public, or using the titles "certified public accountant," "public accountant," "CPA," or "PA";
- (o) "Public accountant" shall be defined as in T.C.A. §62-1-103;
- (p) "Registration" shall be defined as in T.C.A. §62-1-103;
- (q) "Report" shall be defined as in T.C.A. §62-1-103. This term, as defined in T.C.A. §62-1-103 of the Act and used in T.C.A. §62-1-108 of the Act, and in these Rules, includes forms of language contained in a report which refers to financial statements or other information, when such forms of language express or deny any assurance as to the reliability of the financial statements or other information to which it refers. Among the possible sources of such forms of language are pronouncements by authoritative bodies recognized by the Board describing the work that should be performed and/or the responsibilities that should be assumed, for specified kinds of professional engagements, and in addition prescribing the form of report which should be issued upon completion of such engagements. A form of report prescribed by such a pronouncement will ordinarily constitute a form of language which is conventionally understood as implying assurance and expertise;
- (r) "Resident manager" means a licensee designated by a firm to be responsible for an office location's compliance with the Act and the rules of the Board.

Authority: T.C.A. §§62-1-105; 62-1-111(a)(12) and Chapter No. 443 of the Public Acts of 1989, Sections 9 and 12. **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Amendment filed December 1, 1987; effective January 15, 1988. Amendment filed August 5, 1991; effective September 19, 1991. Amendment filed May 11, 1995; effective July 24, 1995. Repeal and new rule filed June 10, 1999; effective August 24, 1999.

0020-1-.02 BOARD MEETINGS.

- (1) The Board shall meet at least four (4) times each year. The chair or a quorum of the Board shall have the authority to call meetings of the Board. The Board shall follow and apply the rules of the Administrative Procedures Act of the State of Tennessee regarding notice and conduct of meetings.

Authority: T.C.A. §§62-1-105(e)(1); 62-1-111(a)(12) and Chapter No. 443 of the Public Acts of 1989, Sections 9 and 12. **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Amendment filed December 1, 1987; effective January 15, 1988. Amendment filed April 20, 1994; effective July 4, 1994. Amendment filed May 11, 1995; effective July 24, 1995. Repeal and new rule filed June 10, 1999; effective August 24, 1999.

0020-1-.03 BOARD OFFICERS.

- (1) The Board shall elect annually from among its members a chair, vice-chair, secretary and such other officers as the Board may require. The officers shall assume the duties of their respective offices at the conclusion of the meeting at which they were elected.
- (2) The chair, or in the event of the chair's absence or inability to act, the vice-chair, shall preside at all meetings of the Board. The Board shall determine other duties of the officers.

(Rule 0020-1-.03, continued)

Authority: T.C.A. §§62-1-105(e)(1) and 62-1-111. **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Amendment filed May 12, 1991; effective June 27, 1991. Amendment filed April 20, 1994; effective July 4, 1994. Amendment filed May 11, 1995; effective July 24, 1995. Repeal and new rule filed June 10, 1999; effective August 24, 1999.

0020-1-.04 FEES.

- (1) Fees charged by the Board shall be as follows:
 - (a) Initial issuance of certificate \$100.00
 - (b) Replacement certificate \$25.00
 - (c) Renewal of certificate or registration \$50.00/year
 - (d) Initial firm permit \$50.00
 - (e) Renewal of firm permit \$50.00
 - (f) Penalty for late filing of permit, certificate or registration renewal application \$50.00/year or part year
 - (g) Application for reinstatement \$200.00
 - (h) Notification of intent to practice fee See Rule 0020-1-.13

Authority: T.C.A. §§62-1-105(e)(8); 62-1-107(c); 62-1-108(c); 62-1-108(f); 62-1-109(c); 62-1-111(a)(9) and Chapter No. 443 of the Public Acts of 1989, Sections 7 and 10. **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Amendment filed June 30, 1988; effective August 14, 1988. Amendment filed August 5, 1991; effective September 19, 1991. Amendment filed April 20, 1994; effective July 4, 1994. Repeal and new rule filed June 10, 1999; effective August 24, 1999.

0020-1-.05 APPLICATIONS.

- (1) The Board office staff or such other entity as is approved by the Board shall provide each candidate for a certificate with the appropriate application forms as accepted for current use by the Board. All applications for initial examination or reexamination shall be accompanied by the current fee being charged by the Board or such entity as is approved by the Board.
- (2) Applications for examination must be postmarked or delivered to the Board office, or such entity as is approved by the Board, at least two (2) months before the date on which the examination is to be held.
- (3) For good cause shown, the Board may waive the deadlines established in this rule; but in no event will the Board waive a deadline to consider application material received less than thirty (30) days before the scheduled beginning of an examination. At any time before an examination, upon submission of proof suitable to the Board of death or illness in their immediate family, or personal illness, an applicant may transfer his/her examination fee to the next scheduled examination. Otherwise all fees will be forfeited and reapplication, with the appropriate fees, will be required.
- (4) An application will not be considered filed until the examination fee required by these rules and all required supporting documents, including photographs, official transcripts and proof that the applicant has completed the education requirements, have been received by the Board or such entity approved by the Board.

(Rule 0020-1-.05, continued)

Authority: T.C.A. §§62-1-105; 62-1-106; 62-1-107; 62-1-108; 62-1-108(b); 62-1-109(b); 62-1-111(a)(12) and Chapter No. 443 of the Public Acts of 1989, Sections 9 and 12. **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Amendment filed August 5, 1991; effective September 19, 1991. Amendment filed April 20, 1994; effective July 4, 1994. Repeal and new rule filed June 10, 1999; effective August 24, 1999.

0020-1-.06 EXAMINATIONS.

- (1) The examination of applicants for certification shall consist of the Uniform CPA Examination supplemented with a section on ethics prepared or approved by the Board. The examination may be further supplemented with other material which the Board in its discretion deems appropriate.
- (2) Notice of the date, time and place of the written examination shall be given at least ninety (90) days prior to each examination by publication in newspapers of general circulation in the cities of Memphis, Nashville, Knoxville and Chattanooga. After January, 2004, publication in the newspapers will no longer be required. Examinations may, in the discretion of the Board, be administered in more than one (1) city in the state.
- (3) The Board shall cause the examination for certification to be graded by the AICPA. The Board may recognize the grades assigned by the AICPA. Applicants may request a grade review if the Board permits such, and the applicant pays whatever administrative charges are assessed for a grade review.
- (4) The notification given to the exam candidate regarding the grades and requirements that the candidate must achieve to pass a particular exam shall govern the grading of that exam.
- (5) All examination candidates who take a written examination prior to January, 2004, shall be required to pass all sections of the examination provided for in Tenn. Code Ann. § 62-1-106(d), in order to qualify for a certificate.
- (6) The following grading system shall apply to the written CPA examination through the last written exam:
 - (a) A passing grade for each section shall be seventy-five (75).
 - (b) If at a given sitting of the examination an applicant passes two (2) or more but not all sections, then the applicant shall be given credit for those sections that the applicant has passed and need not sit for reexamination in those sections, provided that:
 1. At that sitting the applicant wrote all sections of the examination for which the applicant does not have credit;
 2. The applicant attained a minimum grade of fifty (50) on each section taken at that sitting;
 3. The applicant passed the remaining sections of the examination within six (6) consecutive examinations given after the one at which the first sections were passed;
 4. At each subsequent sitting at which the applicant seeks to pass any additional sections, the applicant writes all sections for which the applicant does not have credit; and
 5. In order to receive credit for passing additional sections in any such subsequent sitting, the applicant attains a minimum grade of fifty (50) on each section taken at that sitting.
- (7) An applicant shall be given credit for any and all sections of an examination passed in another state if such credit would have been given, under then applicable requirements, had the applicant taken the examination in this state.

(Rule 0020-1-.06, continued)

- (8) The Board may in particular cases waive or defer any of the requirements of paragraphs (5), (6) and (7) regarding the circumstances in which the various sections of the examination must be passed, upon a showing that, by reason of circumstances beyond the applicant's control, the applicant was unable to meet such requirement(s).
- (9) An applicant may be required to pass an examination covering the rules of ethics and professional conduct promulgated by the Board; such examination may be part of the examination required in Tenn. Code Ann. § 62-1-106(d) or may be in a separate examination.
- (10) The Board may provide for a third party administering the examination to charge each applicant a fee for each section of the examination or reexamination taken by the applicant.

Authority: T.C.A. §§62-1-105(e)(9), 62-1-106, and Public Acts 2002, Ch. 654 §§ 4 and 5. **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Amendment filed June 3, 1983; effective July 5, 1983. Amendment filed April 20, 1994; effective July 4, 1994. Repeal and new rule filed June 10, 1999; effective August 24, 1999. Amendment filed January 24, 2003; effective April 9, 2003.

0020-1-.07 CHEATING.

- (1) Cheating by an applicant in applying for or taking the examination will invalidate any grade otherwise earned by a candidate on any part of the examination, and may warrant summary expulsion from the examination room and disqualification from taking the examination for a specified time period.
- (2) For purposes of this Rule, the following actions, among others, may be considered cheating:
 - (a) Falsifying or misrepresenting educational credentials or other information required for admission to the examination;
 - (b) Communication between candidates inside or outside the examination room or copying another candidate's answers while the examination is in progress;
 - (c) Communication with others outside the examination room while the examination is in progress;
 - (d) Substitution of another person to sit in the examination room in the place of a candidate; or
 - (e) Reference to crib sheets, text books or other material inside or outside the examination room while the examination is in progress.
- (3) In any case where it appears to the Board or its designee, while the examination is in progress, that cheating has occurred or is occurring, the Board or its designee may either summarily expel the candidate involved from the examination or move the candidate to a position in the room away from other examinees where the candidate can be watched more closely.
- (4) In any case where the Board believes that it has evidence that a candidate has cheated on the examination, or where a candidate has been expelled from the examination, the Board shall expeditiously convene a hearing for the purpose of determining whether or not there was cheating, and if so what remedy should be applied, including:
 - (a) Whether the candidate shall be given credit for any portion of the examination completed in that session; and
 - (b) Whether the candidate shall be barred from taking the examination in future sittings, and if so, for how many sittings.

(Rule 0020-1-.07, continued)

- (5) In any case where the Board or its designee permits a candidate to continue taking the examination, it may, depending on the circumstances:
 - (a) Admonish the candidate;
 - (b) Seat the candidate in a segregated location for the rest of the examination;
 - (c) Keep a record of the candidate's seat location and identification number, and the names and identification numbers of the candidates on either side of the candidate; and/or
 - (d) Notify the AICPA of the circumstances, furnishing the candidate's identification number, so that after the initial grading is completed the candidate's papers can be compared for unusual similarities with the papers of others who may have been involved.
- (6) In any case where a candidate is refused credit for any part of the examination taken, or is disqualified from taking other parts, the Board shall provide the candidate with a written statement containing its findings.
- (7) In any case where a candidate is refused credit for any part of an examination taken, disqualified from taking any part of the examination, or barred from taking the examination in future sittings, the Board will provide to the Board of Accountancy of any other state, to which the candidate may apply for the examination, information as to the Board's findings and actions taken.

Authority: T.C.A. §§62-1-105 and 62-1-111. **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Amendment filed December 1, 1987; effective January 15, 1988. Amendment filed May 13, 1991; effective June 27, 1991. Repeal and new rule filed June 10, 1999; effective August 24, 1999.

0020-1-.08 RENEWAL OF LICENSES.

- (1) All even numbered licenses shall expire on December 31 of each even numbered year and all odd numbered licenses shall expire on December 31 of each odd numbered year. All licenses may be renewed at any time during the month of December in the year in which they expire, by submitting to the Board a biennial renewal application form and the appropriate fee. For the purpose of this rule the license ID number shall be used.
- (2) An individual or entity choosing not to renew their license shall notify the Board of their intention prior to the expiration of that license, and they shall surrender the license to the Board immediately upon its expiration.
- (3) Applications for the renewal of certificates and registrations pursuant to the Act shall be made on a form provided by the Board and shall be filed no later than the expiration date set by these rules. Applications will not be considered filed until the applicable fee prescribed in these rules is received.
- (4) Applications for renewal of certificates or registrations shall be accompanied by evidence satisfactory to the Board that the applicant has complied with the continuing professional education requirements under T.C.A. §62-1-107(d) and chapter 0020-5 of these rules.
- (5) Licenses shall be subject to late renewal for a period of three (3) months following their expiration date by payment of the prescribed renewal fee(s) and a late renewal penalty.
- (6) Any individual or entity desiring to renew a license more than three (3) months but less than one (1) year after its expiration date shall submit a new application for licensure to the Board accompanied by the appropriate fee for examination; provided however, that the Board may, in its discretion, waive such examination, assess late renewal penalties or impose civil penalties.

(Rule 0020-1-.08, continued)

- (7) Licenses not renewed for over one (1) year and which have not been surrendered to the Board under paragraph two (2) of this rule, shall be deemed to have lapsed. Any individual or entity desiring to renew a lapsed license shall comply with the requirements of paragraph four (4) of this rule and paragraph five (5) of Rule 0020-5-.03.

Authority: T.C.A. §§62-1-105; 62-1-107; 62-1-108; 62-1-109; 62-1-110 and 62-1-111. **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Amendment filed December 1, 1987; effective January 15, 1988. Amendment filed May 13, 1991; effective June 27, 1991. Amendment filed April 20, 1994; effective July 4, 1994. Repeal and new rule filed June 10, 1999; effective August 24, 1999.

0020-1-.09 DENIAL OF CERTIFICATE.

- (1) An applicant denied a certificate shall be notified in writing by the Board of such denial and the reasons therefor. Such applicant may request an appearance before the Board to reconsider such denial at its next scheduled meeting. Such request shall be sent to the Executive Director within thirty (30) days of the date of the notice of denial.

Authority: T.C.A. §§62-1-105 and 62-1-111(a)(12). **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Amendment filed December 1, 1987; effective January 15, 1988. Repeal and new rule filed June 10, 1999; effective August 24, 1999.

0020-1-.10 REINSTATEMENT OF REVOKED OR SUSPENDED LICENSES.

- (1) A certified public accountant or public accountant whose license has been revoked, suspended or surrendered may submit to the Board an application for reinstatement of such license accompanied by the appropriate fee.
- (2) Such application shall consist of a signed and acknowledged petition which shall set forth in full the circumstances surrounding the revocation, suspension or surrender of the applicant's license, the applicant's reasons for seeking reinstatement, and any other information the applicant wishes to bring to the attention of the Board.
- (3) Such application shall be submitted to the Board at its next meeting and evaluated and reviewed for presentation at the following meeting.
- (4) In considering an application the Board may consider all activities of the applicant since the disciplinary penalty from which relief is sought was imposed, the offense for which the applicant was disciplined, the applicant's activities during the time the certificate, registration or permit was in good standing, the applicant's rehabilitative efforts, the applicant's restitution to damaged parties in the matter for which the penalty was imposed, and the applicant's general reputation for truth and professional probity.
- (5) After consideration of the applicant's petition and after conducting such personal examination of the applicant or other persons as it deems necessary, including any complainant or individual injured by the applicant, the Board may in its sound discretion reinstate any revoked, suspended or surrendered license. The Board shall notify such applicant of its decision in writing.
- (6) The Board may impose appropriate terms and conditions for reinstatement of a certificate, registration or permit or modification of a suspension, revocation or probation.
- (7) No application for reinstatement will be considered while the applicant is under sentence for any criminal offense, including any period during which the applicant is on court imposed probation or parole.

(Rule 0020-1-.10, continued)

- (8) A certified public accountant or public accountant whose license has been suspended must meet all continuing professional education and renewal fee requirements during the term of the suspension.

Authority: T.C.A. §§62-1-105; 62-1-107(c) and 62-1-118. **Administrative History:** Original rule filed June 9, 1981; effective August 18, 1981. Repeal and new rule filed June 10, 1999; effective August 24, 1999.

0020-1-.11 APPLICATION AND RENEWAL OF CPA AND PA FIRM PERMITS.

- (1) On or before December 31 of each year, each CPA and/or PA firm providing accounting services or engaged in the practice of public accountancy in this state as a sole proprietorship, partnership or corporation of certified public accountants and/or public accountants shall obtain a permit from the Board for each office location for the ensuing calendar year. Applications for initial issuance and for renewal of permits pursuant to T.C.A. §§62-1-108 and 62-1-109 of the Act shall be made on a form provided by the Board and, in the case of applications for renewal, shall be filed no earlier than two (2) months prior to and no later than the expiration date. Applications will not be considered filed until the applicable fee and all required documents prescribed in these Rules are received by the Board or such entity as is approved by the Board. If an application for permit renewal is filed late, it shall also be accompanied by the appropriate late renewal penalty.
- (2) Each such office location shall disclose the following information in the form of an application for registration, signed and acknowledged by the resident manager of the office location.
 - (a) The name of the firm maintaining the office(s).
 - (b) The type of organization (sole proprietorship, partnership, or corporation).
 - (c) The address of the office location.
 - (d) The name and address of the sole proprietor, if a proprietorship; each resident partner, if a partnership or each resident stockholder and member of the governing body, if a corporation.
 - (e) The total percentage of equity ownership and the voting rights of the licensees in the firm.
 - (f) The name, address, and certificate or registration number of each certified public accountant or public accountant employed at the office location.
 - (g) The name, address and certificate or registration number of the resident manager of the office location.
 - (h) The name and certificate or registration number of each person responsible for supervising or providing attest services, if any, as contemplated by T.C.A. § 62-1-108(c)(2).
 - (i) The type of peer review program in which the firm participates and the date and results of the last review.
- (3) Every office location shall maintain a set of the current statutes and rules of the Tennessee State Board of Accountancy.
- (4) This rule is applicable to offices located outside of this state where such offices are engaged in the practice of public accountancy as CPA firms in this state through any person(s) holding a reciprocal certificate.

Authority: T.C.A. §§62-1-105; 62-1-108; 62-1-111(a)(12) and 62-1-113. **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Amendment filed May 13, 1991; effective June 27, 1991.

(Rule 0020-1-.11, continued)

Amendment filed February 8, 1993; effective March 25, 1993. Amendment filed May 11, 1995; effective July 24, 1995. Repeal and new rule filed June 10, 1999; effective August 24, 1999.

0020-1-.12 NOTIFICATION OF FIRM CHANGES.

- (1) Individuals or entities holding a permit to practice as a CPA or PA firm pursuant to T.C.A. §§62-1-108 and/or 62-1-109 of the Act shall file with the Board a written notification of any of the following events concerning the practice of public accountancy within this State within thirty (30) days after its occurrence.
 - (a) Formation of a new firm.
 - (b) Addition of a partner, member or shareholder.
 - (c) Retirement, withdrawal or death of a partner, member or shareholder.
 - (d) Any change in the name of the firm.
 - (e) Dissolution of the firm.
 - (f) Change in the management of any office location in this State.
 - (g) Establishment of a new office location or the closing or change of address of an office location in this State.
 - (h) The occurrence of any event or events which would cause such firm not to be in conformity with the provisions of the Act or these Rules.
- (2) In the event of any change in the legal form of a firm, such new firm shall within thirty (30) days of the change file an application for an initial permit in accordance with these Rules and pay the fee required by these Rules.

Authority: T.C.A. §§62-1-105; 62-1-108; 62-1-111(a)(11) and 62-1-114(c). **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Repeal filed December 1, 1987; effective January 15, 1988. Original rule filed June 10, 1999; effective August 24, 1999.

0020-1-.13 RECIPROCITY AND SUBSTANTIAL EQUIVALENCY.

- (1) Any person holding a valid Certified Public Accountant certificate issued by another state shall upon application or notification be granted the privilege to practice as a certified public accountant in Tennessee if the applicant has met the requirements of T.C.A. §62-1-107 or §62-1-117 and all other applicable portions of the Act and the rules of the Board.
- (2) The Board shall issue a certificate to a holder of a valid foreign designation, granted in a foreign country entitling the holder thereof to engage in the practice of public accountancy, provided that the person has met the requirements of T.C.A. §62-1-107 and all other applicable portions of the Act and the rules of the Board.
- (3) Fees.
 - (a) Individuals intending to practice public accountancy in Tennessee under T.C.A. §62-1-117 (Substantial Equivalency) shall make application and biennially file a notice of such intent with the Board or its designee. The application shall be accompanied by a nonrefundable fee of sixty five dollars (\$65.00). The initial notice and each notice filed biennially thereafter shall be

(Rule 0020-1-.13, continued)

accompanied by the greater of a nonrefundable fee of thirty five dollars (\$35.00) or an amount equal to that charged for the same privilege to the licensees of this state by the individual's state of licensure.

- (b) An application for a reciprocal certificate shall be accompanied by a nonrefundable application fee of one hundred dollars (\$100.00).
- (c) The fee for issuance of an initial reciprocal certificate shall be one hundred dollars (\$100.00).
- (d) The fee for biennial renewal of a reciprocal certificate shall be one hundred dollars (\$100.00).
- (4) Holders of reciprocal certificates shall comply with the continuing education requirements contained in Chapter 0020-5, and shall comply with all other requirements of the statutes and rules governing the practice of public accountancy within the State of Tennessee.
- (5) If the substantial equivalency standard set out in T.C.A. §62-1-117 is not applicable, the Board shall issue a reciprocal certificate to the holder of a certificate issued by another state provided that he/she has met the requirements of T.C.A. §62-1-107.

Authority: T.C.A. §§ 62-1-105; 62-1-107; 62-1-110; 62-1-111; 62-1-114 and 62-1-117. **Administrative History:** Original rule filed June 9, 1981; effective August 17, 1981. Amendment filed December 1, 1987; effective January 15, 1988. Amendment filed May 13, 1991; effective June 27, 1991. Amendment filed May 11, 1995; effective July 24, 1995. Repeal and new rule filed June 10, 1999; effective August 24, 1999.

0020-1-.14 INTERNATIONAL RECIPROCITY.

- (1) The Board may designate a professional accounting credential issued in a foreign country as substantially equivalent to a CPA certificate.
 - (a) The Board may rely on the International Qualifications Appraisal Board for evaluation of foreign credential equivalency.
 - (b) The Board may accept a foreign accounting credential in partial satisfaction of its domestic credentialing requirements if:
 - 1. the holder of the foreign accounting credential met the issuing body's education requirement and passed the issuing body's examination used to qualify its own domestic candidates; and
 - 2. the foreign credential is valid and in good standing at the time of application for a domestic credential.
- (2) The Board may satisfy itself through qualifying examination(s) that the holder of a foreign credential deemed by the Board to be substantially equivalent to a CPA certificate possesses adequate knowledge of U.S. practice standards and the Board's regulations. The Board may rely on the National Association of State Boards of Accountancy, the American Institute of Certified Public Accountants, or other professional bodies to develop, administer, and grade such qualifying examination(s). The Board will specify the qualifying examination(s) and process by policy.
- (3) An applicant for renewal of a CPA certificate originally issued in reliance on a foreign accounting credential shall:
 - (a) Make application for renewal at the time and in the manner prescribed by the Board for all other certificate renewals;

(Rule 0020-1-.14, continued)

- (b) Pay such fees as are prescribed for all other certificate renewals;
 - (c) If the applicant has a foreign credential in effect at the time of the application for renewal of the CPA certification, he/she must present documentation from the foreign accounting credential issuing body that the applicant's foreign credential has not been suspended or revoked and the applicant is not the subject of a current investigation. If the applicant for renewal no longer has a foreign credential, the applicant must present proof from the foreign credentialing body that the applicant for renewal was not the subject of any disciplinary proceedings or investigations at the time that the foreign credential lapsed; and
 - (d) Either show completion of continuing professional education substantially equivalent to that required under rule 0020-5-.03 within the two (2) year period preceding renewal application, or petition the Board for complete or partial waiver of the CPE requirement based on the ratio of foreign practice to practice in this State.
- (4) The holder of a CPA certificate issued in reliance on a foreign accounting credential shall report any investigations undertaken, or sanctions imposed, by a foreign credentialing body against the CPA's foreign credential.
 - (5) Suspension or revocation of, or refusal to renew, the CPA's foreign accounting credential by the foreign credentialing body may be evidence of conduct reflecting adversely upon the CPA's fitness to retain the certificate and may be a basis for Board action.
 - (6) Conviction of a felony or any crime involving dishonesty or fraud under the laws of a foreign country is evidence of conduct reflecting adversely on the CPA's fitness to retain the certificate and is a basis for Board action.
 - (7) The Board shall notify the appropriate foreign credentialing authorities of any sanctions imposed against a CPA.
 - (8) The Board may participate in joint investigations with foreign credentialing bodies and may rely on evidence supplied by such bodies in disciplinary hearings.

Authority: T.C.A. §§62-1-105; 62-1-107; 62-1-111(a)(12) and 62-1-111(a)(14). **Administrative History:** Original rule filed May 13, 1991; effective June 27, 1991. Repeal filed August 2, 1996; effective October 16, 1996. Original rule filed June 10, 1999; effective August 24, 1999.

0020-1-.15 REPEALED.

Authority: T.C.A. §§62-1-105; 62-1-111 and 62-1-124. **Administrative History:** Original rule filed May 11, 1995; effective July 24, 1995. Repeal filed June 10, 1999; effective August 24, 1999